

Message Text

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PAGE 01 JIDDA 01813 01 OF 02 071707Z
ACTION SS-25

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TO SECSTATE WASHDC IMMEDIATE 7546
INFO AMEMBASSY AMMAN
AMEMBASSY CAIRO
AMEMBASSY DAMASCUS
AMEMBASSY TEL AVIV

S E C R E T SECTION 1 OF 2 JIDDA 1813

EXDIS

REF: (A) STATE 46389 (B) CAIRO 3870

E.O. 11652: GDS
TAGS: PFOR, US, SA, IS XF
SUBJECT: NORMALIZATION OF ARAB-ISRAEL RELATIONS IN A SETTLEMENT
CONTEXT

REF: (A) STATE 46389 (B) CAIRO 3870

SUMMARY: THE SAUDI ATTITUDE TOWARDS NORMALIZATION WILL
DIFFER FROM THOSE OF EGYPT, SYRIA, AND JORDAN BECAUSE
THE KINGDOM IS NOT A CONFRONTATION STATE AND WILL NOT BE
A SIGNATORY TO THE PEACE AGREEMENT. THE SAUDIS CLEARLY
DO NOT ENVISAGE DIPLOMATIC RELATIONS WITH ISRAEL
AFTER A SETTLEMENT. WHILE THE SAUDIS WILL NOT PARTICIPATE
IN PRIOR MEASURES TOWARD NORMALIZATION, THEY ARE NOT LIKELY
TO OBJECT TO STEPS AGREED TO BY THE CONFRONTATION STATES --
INCLUDING PHASED DISMANTLING OF THE BOYCOTT. WITH TIME
WE CAN IMAGINE A CONSIDERABLE DEGREE OF NORMALIZATION,
PRIMARILY IN TRADE. WHAT THE U.S. DOES IN THE ECONOMIC
SPHERE AFTER A PEACE SETTLEMENT WILL HAVE A MAJOR IMPACT

SECRET

SECRET

PAGE 02 JIDDA 01813 01 OF 02 071707Z

ON WHAT THE SAUDIS DO. END SUMMARY.

1. THE SAUDI ARABIAN ATTITUDE TOWARD THE QUESTION OF NORMALIZATION OF RELATIONS WITH ISRAEL IN THE CONTEXT OF A PEACE SETTLEMENT MAY BE SIMILAR IN SOME RESPECTS TO THOSE LIKELY TO BE ADOPTED BY EGYPT, SYRIA AND JORDAN -- BUT MAY ALSO BE SIGNIFICANTLY DIFFERENT BECAUSE SAUDI ARABIA, THOUGH A PARTICIPANT

IN THE PEACE EFFORT, IS NOT A CONFRONTATION STATE AND WILL NOT BE A SIGNATORY OF ANY PEACE SETTLEMENT.

2. SAUDI LEADERS, INCLUDING CROWN PRINCE FAHD AND FONMIN PRINCE SAUD HAVE SAID WITHOUT EQUIVOCATION THAT SAUDI ARABIA WOULD ACCEPT A PEACE SETTLEMENT IF AGREED BY THE STATES CONCERNED AND THE PALESTINIANS. IT WOULD INCLUDE ISRAELI WITHDRAWAL TO THE 1967 FRONTIERS AND "JUSTICE FOR THE PALESTINIANS." THIS CONTRASTS WITH THE CONSISTENT NEGATIVE RESPONSE TO QUESTIONS BY PROMINENT VISITORS CONCERNING SAUDI WILLINGNESS TO RECOGNIZE OR ESTABLISH RELATIONS WITH ISRAEL. ON THIS POINT SAUDI LEADERS CMPHASIZE THAT THE KINGDOM IS NOT A CONFRONTATION STATE AT WAR WITH ISRAEL, THAT IT HAS NO COMMON BORDER, ANDNO CLAIM TO ISRAELI-OCCUPIED TERRITORY, AS ISRAEL HAS NONE AGAINST SAUDI ARABIA. AS KING FAISAL ONCE PUT IT, "WHY SHOULD WE HAVE RELATIONS WITH THE ISRAELIS? THEY HAVE NO BUSINESS HERE AND MOREOVER THERE ARE MANY COUNTRIES, INCLUDING THE COMMUNIST STATES, WITH WHICH WE DO NOT HAVE RELATIONS." AND, AS PRINCE FAHD PUT IT TO U.S. VISITORS, "THE QUESTION OF RELATIONS DOES NOT ARISE. ALL THINGS MAY DEVELOP NATURALLY ONCE PEACE IS RESTORED."

3. AS WITH THE BORADER TERRITORIAL ISSUE ON WHICH THE SAUDIS HAVE GENERALLY INDICATED THAT THEY CAN LIVE WITH ANYTHING ACCEPTABLE TO THE CONFRONTATION STATES, WE DO NOT BELIEVE THEY WOULD CAVIL AT CONCESSIONS TO ISRAEL BY OTHERS IN THE REALM OF NORMALIZATION. IN THE VERY IMPORTANT AREA OF THE BOYCOTT, WE THINK THE SAUDIS MIGHT BE HELPFUL. THEY WOULD NOT, WE JUDGE, OBJECT TO THE INCLUSION IN A PEACE AGREEMENT -- A PEACE AGREE-

SECRET

SECRET

PAGE 03 JIDDA 01813 01 OF 02 071707Z

MENT WHICH THEY WOULD NOT IN ANY CASE BE SIGNING -- OF A PHASED DISMANTLING OF THE BOYCOTT APPARATUS AS FORESEEN IN PARA 3 OF CAIRO 3870. THEY WOULD PROBABLY, IN FACT, BE HAPPY TO BE FREE OF THE RESTRICTIONS IMPOSED ON THEIR COMMERCE AND DEVELOPMENT BY THE NEED TO ADHERE TO SECONDARY BOCOTT PROVISIONS.

4. AT THE SAME TIME, IT WOULD BE UNREALISTIC TO EXPECT THAT THE SAUDIS COULD BEGIN TO ACT AS IF THERE HAD NEVER BEEN A BOYCOTT OF ISREAL. WE THINK SAUDI TRADE RELATIONS WITH COMMUNIST COUNTRIES WOULD PROBABLY SET THE EXAMPLE FOR FUTURE TRADE WITH ISRAEL: THERE ARE NO DIRECT TRADE RELATIONS WITH COMMUNIST STATES, BUT SOME SECTORS OF THE CONSUMER MARKET AT TIMES SEEM FLOODED WITH GOODS PRODUCED BY COMMUNIST COUNTRIES. AT SOME FUTURE TIME ISRAELI GOODS MIGHT ALSO BEGIN TO PENETRATE THE SAUDI MARKET, THOUGH WE DUBT THAT THE SAG WILL BE WILLING TO TAKE AFFIRMATIVE ACTION TO BRING THIS ABOUT. IF ISRAELI GOODS WERE PASSED THROUGH AN ARAB INTERMEDIARY SUCH AS EGYPT, THIS MIGHT COME ABOUT CONSIDERABLY SOONER.

5. IN SUM, WHILE WE DO NOT BELIEVE THE SAG WOULD BE WILLING TO BE A PARTY TO MEASURES TAKEN AS PART OF A SETTLEMENT OR SIDE MEASURES AGREED UPON IN NEGOTIATIONS TO FOLLOW IMMEDIATELY AFTER AN AGREEMENT, WE DO NOT BELIEVE THAT THE SAG WOULD HINDER MEASURES TAKEN BY OTHER ARAB STATES (INCLUDING THE END OF THE BOYCOTT). THERE ARE, MOREOVER, A NUMBER OF MEASURES WHICH COULD EVOLVE OVER A PERIOD OF TIME EVEN IF NOT INCORPORATED IN AN AGREEMENT. THE QUESTION OF ISRAELI GOODS ON THE SAUDI MARKET HAS BEEN MENTIONED ABOVE. ANOTHER MEASURE MIGHT BE THE SALE OF PETROLEUM. IT WOULD CERTAINLY TAKE SOME TIME BEFORE THE SAG COULD COUNTENANCE OIL GOING BY TAPLINE DIRECTLY TO ITS ORIGINAL DESTINATION IN HAIFA, BUT TRANSFER THROUGH THE PRESENT TERMINAL AT ZAHRANI MIGHT SOON PROVE ACCEPTABLE AND PRACTICAL. GOODS TRANSSHIPMENTS THROUGH ISRAELI PORTS, OR TELECOMMUNICATIONS AND CIVIL AIR LINKS, LIKEWISE ARE POTENTIAL FIELDS OF SAUDI-ISRAELI COOPERATION WHICH WILL MOST PROBABLY DEVELOP WITH TIME, BUT WHICH THE SAG WOULD BE UNWILLING TO COMMIT ITSELF TO IN ADVANCE.

SECRET

SECRET

PAGE 04 JIDDA 01813 01 OF 02 071707Z

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SECRET

PAGE 01 JIDDA 01813 02 OF 02 071657Z
ACTION SS-25

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S E C R E T SECTION 2 OF 2 JIDDA 1813

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6. BOTH SAUDI ARABIA AND ISRAEL HAVE AN INTEREST IN THE SECURITY OF THE RED SEA, THOUGH GIVEN THE CURRENT STATE OF HOSTILITY BETWEEN THE TWO COUNTRIES THEIR INTERESTS NOW SEEM

ANTITHETICAL. AFTER A PEACE SETTLEMENT A COMMONALITY OF INTEREST MIGHT BECOME APPARENT. WE RECALL THAT THERE EXISTS A MORIBUND ORGANIZATION CALLED THE RED SEA LIGHTS AND HARBORS ORGANIZATION (OR SOMETHING SIMILAR) WHICH MIGHT BE REVITALIZED AND IN WHICH SAUDIS AND ISRAELIS -- AND OTHER RED SEA LITTORAL STATES -- COULD WORK TOGETHER ON SUCH COMMON INTERESTS AS NAVIGATION, OVERFLIGHTS AND SURVEILLANCE. (IN THE MORE DISTANT FUTURE A SHARED CONCERN OVER SOVIET ROLE IN THE AREA COULD INCLINE THE TWO COUNTRIES TOWARD EACH OTHER.)

7. THE OLD SAW ABOUT COOPERATION IN MAKING THE DESERT BLOOM COULD ACTUALLY BE AN AREA IN WHICH THE SAUDIS AND ISRAELIS MIGHT COME TOGETHER. THE SAUDIS HAVE MONEY THEY ARE WILLING TO SPEND IN DEVELOPING DESERT AGRICULTURE. IF COOPERATION EVOLVED THROUGH A REGIONAL FRAMEWORK, THERE MIGHT BE ENOUGH MUTUAL SELF INTEREST TO MAKE IT WORK. IT IS UNFORTUNATE THAT DEEP SAUDI DISTRUST OF THE ISRAELIS AND DIFFERING CULTURAL OBJECTIVES MAKE COOPERATION IN THE POTENTIALLY RICH FIELD OF

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PAGE 02 JIDDA 01813 02 OF 02 071657Z

ARCHEOLOGICAL EXPLORATION IMPRACTICAL.

8. IMPOSSIBLE TO PIN DOWN AT THIS STATE IS THE POTENTIAL FOR COOPERATION BETWEEN ISRAELI AND SAUDI ENTREPRENEURS. ADNAN KHASHOGGI WAS QUOTED ON A RECENT ISSUE OF MIKE WALLACE'S "SIXTY MINUTES" AS SAYING THAT HE WOULD BE ON THE FIRST PLANE TO TEL AVIV AFTER A PEACE SETTLEMENT. WE DOUBT IT, BUT WE THINK THAT SAUDIS AND ISRAELIS WOULD MEETING IN GENEVA OR ZURICH VERY SOON THEREAFTER. AND WE THINK THESAG WOULD TURN A BLIND EYE TO WHATEVER THEY WORKED OUT.

9. WE HAVE NOT OFFERED MUCH PROMISE THAT THE SAG WILL DIRECTLY CONTRIBUTE TO MEASURES TOWARD "NORMALIZATION" WHICH COULD HELP OVERCOME ISRAELI DOUBTS ABOUT PEACE WITH THE ARABS. THE SAUDIS MIGHT BE INDUCED TO DO MORE, BUT WE DO NOT THINK THAT IT IS AN AREA IN WHICH WE OUGHT TO PRESS THEM, AT LEAST INITIALLY. SAUDI INVOLVEMENT IN THE PEACE NEGOTIATIONS IS AN IMPORTANT ASSET FOR US. IF THE SAUDIS FELT THAT THIS INVOLVEMENT WOULD BIND THEM ALSO INTO THE PEACE AGREEMENT -- SOMETHING THEY DO NOT NOW CONTEMPLATE -- THEY MIGHT BE LESS ENTHUSIASTIC HELPERS AND WE MIGHT ALSO BE ADDING A NEW DIMENSION TO THE BARGAINING.

10. FINALLY, WE WOULD EXPECT THE SAUDI ATTITUDE TOWARD ANY AND ALL OF THESE THINGS TO BE AFFECTED BY WHAT THE UNITED STATES IS DOING DURING THE POST-SETTLEMENT PERIOD. AMERICAN ACTIVITY IN AN ECONOMIC SENSE WOULD BE OF THE GREATEST INTEREST TO THE SAUDI LEADERSHIP AND CONCEIVABLY COULD HAVE A DEFINITE EFFECT ON THEM PROVIDED THE SAUDIS ARE NOT EXPECTED TO PRECEDE THE CONFRONTATION STATES IN EMBRACING THE ISRAELIS, AND THE LATTER SHOW REASONABLE RESTRAINT IN COURTING THEIR SAUDI COUSINS.

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